

FOCUSED ASSESSMENT PROGRAM SUMMARY OF SIGNIFICANT CHANGES

October 2002

The following is a summary of significant changes to the FA program documents.

New Exhibits

Exhibit 4A	Example of Internal Control Manual
Exhibit 5C	Computed Value – Pre-Assessment Survey Internal control Technical Guide
Exhibit 5F	HTSUS 9802.00.40 and 9802.00.50 – Articles Exported for Repairs or Alterations – Pre-Assessment Survey Technical Internal Control Guide
Exhibit 5G	HTSUS 9802.00.60 – Metals Articles Previously Exported for Processing – Pre-Assessment Survey Technical Internal Control Guide
Exhibit 5K-1	Foreign Trade Zones – Manufacturing – Pre-Assessment Survey Technical Guide
Exhibit 5K-2	Foreign Trade Zones – Petroleum – Pre-Assessment Survey Technical Guide
Exhibit 5L	Transshipment – Pre-Assessment Survey Technical Guide
Exhibit 5N	Caribbean Basin Economic Recovery Act and Caribbean Basin Trade Partnership Act – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5O	Andean Trade Preference Act – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5P	Products of Insular Possessions – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5Q	Israel Free Trade Area – Pre-Assessment Internal Control Technical Guide
Exhibit 5R	African Growth and Opportunity Act – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5S	Quantity – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5T	Reconciliation – Pre-Assessment Survey Internal Control Technical Guide
Exhibit 5U	Intellectual Property Rights – Pre-Assessment Survey Internal Control Technical Guide

Summary of Significant Changes to Existing FA Documents

Exhibit 1 Introduction

The Table of Contents was modified to include new technical guides listed above.

Exhibit 2A Internal Control Questionnaire for Focused Assessments

Wording was changed in IV. B. 3. from “Price Paid or Payable” to “Price Actually Paid or Payable”.

Exhibit 2C Pre-Assessment Survey (PAS) Audit Program

Revised wording in paragraph 2.2A to show that the computer audit specialist (CAS) will develop the profile.

An additional audit step was added to paragraph 2.2B to review prior audits and follow-ups to comply with Generally Accepted Government Auditing Standard requirements.

Removed the note below paragraph 2.2B that allowed variations of procedures for submitting the questionnaire to the company.

Removed the reference in paragraph 2.2E to the Importer Compliance Monitoring Program. This program has been terminated.

Added audit step 2.6B – “select the test samples” to set up an audit step to reference the documentation for sample selection.

Added a note below audit step 2.8E (2) for the Trade Act of 2002, which requires Regulatory Audit to offset duty overpayments with duty underpayments on liquidated entries during audits.

Exhibit 2D Assessment Compliance Testing Audit Program

Revised wording in paragraph 4.3B (1) dealing with Transaction Value to use the term “price actually paid or payable”.

Revised wording in paragraph 4.3E Computed Value to replace the statement that audit steps are being developed with a statement that the auditor will determine audit steps.

Revised wording in paragraph 4.3S to change Caribbean Basin Initiative to Caribbean Basin Economic Recovery Act and Caribbean Basin Trade

Partnership Act. Simplified audit step (1) to allow the auditor to address either program.

Below each audit step for the calculation of revenue loss, added a note referring to the Trade Act of 2002 which requires Regulatory Audit to offset duty overpayments with duty underpayments on liquidated entries during audits.

Exhibit 2E Focused Assessment Follow-up Audit Program

Removed notes below the fourth bullet below B and H. Exhibit 3F Risk Opinion Under Focused Assessments contains procedures to use if a company does not implement corrective action.

Exhibit 4J Treatment of Ultimate Consignee Transactions in a Focused Assessment

This exhibit was modified to clarify RAD policy on consignee transactions.

Exhibit 4C Prior Disclosure during a Focused Assessment

Corrected a typographical error.

Exhibit 4E Compliance Improvement Plan Framework

Revised wording in the “Time Frames” paragraph to eliminate references to risk categories.

Revised wording in the “Follow-up Review” paragraph to eliminate references to risk categories.

Exhibit 5B Transaction Value PAS Internal Control Technical Guide

Changed wording in Worksheet for Evaluating Internal Controls over Transaction Value from “price paid or payable” to “price actually paid or payable” and removed specific paragraph reference to Generally Accepted Government Auditing Standards in the Background.

Minor grammatical changes for consistency between technical guides and for clarity.

Exhibits 5D, 5E, 5H, 5I, 5J, 5M

Removed specific paragraph reference for Generally Accepted Government Auditing Standards in the Background

Minor grammatical changes for consistency between technical guides and for clarity.

Exhibit 5M Generalized System of Preference Internal Control Technical Guide

Corrected a typographical error.

Minor grammatical changes for consistency between technical guides and for clarity.

Other Exhibits

Minor changes were made to formatting of other exhibits for consistency.